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Message Text

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43
ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 AGRE-00 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00

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FM AMEMBASSY SANTO DOMINGO
TO SECSTATE WASHDC PRIORITY 8343
INFO AMEMBASSY LONDON

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E.O. 11652: N/A
TAGS: EAGR, ETRD, DR
SUBJECT: SUGAR: REACTION TO U.S. TARIFF INCREASE

ONE OF THE FIRST REACTIONS TO THE NEW U.S. TARIFF INCREASE ON SUGAR COME IN A EDITORIAL IN SANTO DOMINGO'S MOST PRESTIGIOUS DAILY, LISTIN DIARIO, ENTITLED QUOTE FORD AND SUGAR UNQUOTE. THE EDITORIAL READS IN TOTO AS FOLLOWS:
BEGIN TEXT
AT FIRST GLANCE, THE MEASURE ADOPTED BY PRESIDENT FORD TO TRIPLE THE IMPORT DUTY ON SUGAR MAY HAVE THE EFFECT OF LOWERING EVEN MORE THE PRICE OF SUGAR SUPPLIED TO THE UNITED STATES BY FOREIGN SUPPLIERS, INSTEAD OF RAISING THE PRICE OF DOMESTIC SUGAR.

IF, AS IT IS REPORTED, THERE ARE SUCH LARGE SURPLUSES OF SUGAR IN THE WORLD, FOREIGN SUPPLIERS WILL ABSORB THE DUTY. THIS IS HOW IT LOOKS AT FIRST GLANCE.

AT FIRST GLANCE, TOO, THE U.S. DOMESTIC SUGAR PRODUCERS NEED MORE PROTECTION THAN THAT PROVIDED BY TREBLING THE DUTY AS WAS
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DONE YESTERDAY BY PRESIDENT FORD.

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AT FIRST GLANCE, IT IS A POLITCAL CAMPAIGN MOVE, IN
TENDED TO KEEP THE SUGAR CANE AND BEET PRODUCERS QUIET FOR A
FEW WEEKS.

THIS MEANS THAT THE US GOVERNMENT, WHOEVER IS ELECTED,
WILL FOCUS ITS ATTENTION ON THE SUGAR PRODUCERS AFTER THE
ELECTIONS.

THERE IS NO DOUBT, HOWEVER, THAT FORD'S ACTION WILL HAVE
INTERNATIONAL REPERCUSSIONS, CHIEFLY IN LATIN AMERICA, SINCE IT
SHOWS THE INTENTION OF RAISING THE DOMESTIC PRICES OF SUGAR,
WHILE KEEPING LOW OR LOWERING EVEN MORE THE PRICES OF IMPORTED
SUGAR.

THE BENEFICIAL ASPECT OF FORD'S ACTION IS THAT IT WILL
PROBABLY LEAD TO A MORE COHERENT ATTITUDE OF THE LATIN
AMERICAN AND PHILIPPINE SUGAR PRODUCING COUNTRIES, WHICH SO FAR
HAVE TRIED TO OUTWIT ONE ANOTHER.

IT IS A PUNITIVE AND UNDESERVED ACTION AGAINST THE INTER-
NATIONAL INCOME OF UNDERDEVELOPED COUNTRIES.

IT IS A PUNITIVE AND UNDESERVED ACTION AGAINST THE INTER-
NATIONAL INCOME OF UNDERDEVELOPED COUNTRIES.

IT RUNS COUNTER TO REPEATED PROPOSALS BY THE U.S. AT
INTERNATIONAL CONFERENCES, THAT THE ESTABLISHMENT OF REASON-
ABLE PRICES FOR BASIC PRODUCTS SHOULD BE CONSIDERED, NOT ON A
GLOBAL BASIS, BUT RATHER ON A PRODUCT-BY-PRODUCT BASIS.

TODAY SUGAR IS THE BASIC COMMODITY WITH THE MOST AILING
PRICES THAT REQUIRE A PROMPT CURE. IN TRYING TO CURE, IN AN
INEFFECTIVE MANNER, THE LOW PRICES OF U.S. SUGAR, PRESIDENT
FORD
TAKES AN INITIATIVE THAT WILL CONTRIBUTE TO LOWERING EVEN
MORE INTERNATIONAL SUGAR PRICES.

THE UNITED STATES, THROUGH ITS SECRETARY OF STATE KISSINGER,
HAS PUT FORTH SOME VERY INTERESTING PROPOSALS ON INTERNATIONAL
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ECONOMIC COOPERATION, PARTICULARLY IN THE FIELD OF BASIC
COMMODITIES.

ALL SUCH PROPOSALS HAVE BEEN CONTRADICTED BY THE TREBLING
OF THE IMPORT DUTY ON SUGAR IMPORTED INTO THE UNITED STATES.

BUT WE BELIEVE THAT THIS MEASURE WILL HAVE A GOOD EFFECT.

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--- THAT OF CREATING UNITY BETWEEN THE SUGAR-PRODUCING COUNTRIES, IN ORDER TO MAKE A COMMON DEMARCHE ON WORLD SUGAR PRICES AND ON THE DEPRESSING EFFECT ON SUCH PRICES, ALREADY VERY LOW, RESULTING FROM THE MEASURE ADOPTED BY THE PRESIDENT OF THE UNITED STATES.

AT LEAST, PRESIDENT FORD HAS CAUSED THE PRICE OF SUGAR TO REACH THE LEVEL OF DISCUSSIONS ON INTERNATIONAL ECONOMIC POLICY. END TEXT.
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